

O 100111Z JAN 07
FM SECSTATE WASHDC
TO AMEMBASSY ABU DHABI IMMEDIATE
AMEMBASSY ACCRA IMMEDIATE
AMEMBASSY BEIJING IMMEDIATE
AMEMBASSY BRATISLAVA IMMEDIATE
AMEMBASSY BRUSSELS IMMEDIATE
AMEMBASSY DOHA IMMEDIATE
AMEMBASSY JAKARTA IMMEDIATE
AMEMBASSY KUWAIT IMMEDIATE
AMEMBASSY LIMA IMMEDIATE
AMEMBASSY MANAMA IMMEDIATE
AMEMBASSY MOSCOW IMMEDIATE
AMEMBASSY MUSCAT IMMEDIATE
AMEMBASSY OTTAWA IMMEDIATE
AMEMBASSY PANAMA IMMEDIATE
AMEMBASSY PRETORIA IMMEDIATE
AMEMBASSY RIYADH IMMEDIATE
AMEMBASSY TOKYO IMMEDIATE
AMEMBASSY WELLINGTON IMMEDIATE
USEU BRUSSELS IMMEDIATE
INFO TREASURY DEPT WASHINGTON DC IMMEDIATE 0000

UNCLAS STATE 002945

SIPDIS

E.O. 12958: N/A

TAGS: [ETTC](#) [IR](#) [KN](#) [KNNP](#) [PARM](#) [PREL](#)

SUBJECT: ADDITIONAL IRAN DESIGNATIONS UNDER E.O. 13382

11. (SBU) This is an action request, please see paragraph two.

OBJECTIVES

12. (SBU) Washington requests that addressees notify host government officials that the United States designated two additional entities and one individual under E.O. 13382 ("Blocking the Property of Weapons of Mass Destruction Proliferators and their Supporters") on January 9, 2007, for their connections to Iran's proliferation activities. Washington informed the Embassies of France, Germany, Italy, and the United Kingdom of the designations on January 8. These designations are aimed at protecting the U.S. financial system from being used in financing proliferation activity facilitated by Bank Sepah. Addressees are requested to provide the nonpaper in paragraph four to host government officials.

REPORTING DEADLINE

13. (U) Public announcement of the designation in the U.S. occurred on January 9, 2007. Please report delivery of the U.S. nonpaper and any immediate response by January 22, 2007. Please slug replies for ISN, T, TREASURY, EUR and NEA.

BACKGROUND/NONPAPER

14. (U) Begin text of background/nonpaper for RUSSIA, CHINA, CANADA, AUSTRALIA, UAE, NEW ZEALAND, KUWAIT, BAHRAIN, OMAN, SAUDI ARABIA, BELGIUM, REPUBLIC OF CONGO, GHANA, INDONESIA, PANAMA, PERU, QATAR, SLOVAKIA, SOUTH AFRICA, JAPAN:

The U.S. wishes to inform your government that the U.S. Treasury Department on January 9, 2007, designated two additional entities and one additional individual for their support of Iranian entities engaged in proliferation related activities pursuant to Executive Order (E.O.) 13382 ("Blocking the Property of Weapons of Mass Destruction Proliferators and their Supporters"), an authority aimed at freezing the assets of proliferators of weapons of mass

destruction and their supporters and prohibiting transactions and trade between those designated entities and banks in U.S. jurisdiction.

The United States has used E.O. 13382 to designate eight other Iranian entities for proliferation activities.

The following names have been added to Treasury's Office of Foreign Assets Control (OFAC) list of Specially Designated Nationals and Blocked Persons ("SDN list") and published in the U.S. Federal Register pursuant to Executive Order 13382.

-- BANK SEPAH, Imam Khomeini Square, P.O. Box 11364-9569, Tehran, Iran: all offices worldwide

-- BANK SEPAH INTERNATIONAL, PLC, 5/7 Eastcheap, London, EC3M 1JT, United Kingdom

-- AHMAD DERAKHSHANDEH, c/o BANK SEPAH, No 33 Hormozan Building, Pirozan St., Sharak Ghods, Tehran, Iran; DOB 11 August, 1956; POB Iran

Bank Sepah was designated for providing financial support and services for three entities previously designated for proliferation activities under E.O. 13382: the Aerospace Industries Organization (AIO), the Shahid Hemmat Industries Group (SHIG), and the Shahid Bakeri Industries Group (SBIG). The other two designees - Bank Sepah International, PLC, (a wholly owned subsidiary) UK and Bank Sepah Chairman and Manager Ahmad Derakhshandeh - were designated because they are owned or controlled by, or act or purport to act for or on behalf of, Bank Sepah.

These designations are one part of the U.S. strategy to counter the proliferation of weapons of mass destruction.

The U.S. action also helps to implement UN Security Council Resolution 1737, which requires States to prevent assistance to Iran related to its nuclear and delivery system programs. As you know, SHIG and SBIG were included in the Annex of UNSCR 1737, as is the director of AIO. The U.S. plans to propose the addition of all Iranian entities and individuals designated pursuant to E.O. 13382 to the Annex.

SBIG is also involved in Iran's missile programs. Among the weapons SBIG produces are the Fateh-110 missile, with a range of 200 kilometers, and the Fajr rocket systems, a seri